

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Maple River Township</b>	County <b>Emmet</b>
Audit Date <b>3/31/05</b>	Opinion Date <b>8/15/05</b>	Date Accountant Report Submitted to State: <b>9/30/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised
2. We are certified public accountants registered to practice in Michigan

We further affirm the following "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1 Certain component units/funds/agencies of the local unit are excluded from the financial statements
- ☐ Yes ☒ No 2 There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980)
- ☒ Yes ☐ No 3 There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4 The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5 The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132])
- ☐ Yes ☒ No 6 The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7 The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8 The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241)
- ☒ Yes ☐ No 9 The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations			✓
Reports on individual federal financial assistance programs (program audits)			✓
Single Audit Reports (ASLGR)			✓

Certified Public Accountant (Firm Name) <b>Rehmann Robson</b>			
Street Address <b>902 S. Huron Street, PO Box 250</b>	City <b>Cheboygan</b>	State <b>MI</b>	ZIP <b>49721</b>
Accountant Signature <i>Annette Eustice, CPA, CFGM</i>			Date <b>9/30/05</b>

**MAPLE RIVER TOWNSHIP  
EMMET COUNTY**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2005**

# MAPLE RIVER TOWNSHIP

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## INDEPENDENT AUDITORS' REPORT

August 15, 2005

Township Board  
Maple River Township  
Brutus, Michigan

We have audited the accompanying financial statements of the governmental activities and the major fund of **Maple River Township**, (the "Township"), as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Township, as of March 31, 2005, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3E the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended and interpreted, as of April 1, 2004.

The Township has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# MAPLE RIVER TOWNSHIP

## STATEMENT OF NET ASSETS GOVERNMENTAL ACTIVITIES

MARCH 31, 2005

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<b>Assets</b>	
Cash and cash equivalents	\$ 120,772
Investments	130,000
Accounts receivable	54,475
Capital assets	<u>134,810</u>
<b>Total assets</b>	<b>440,057</b>
<b>Net assets</b>	
Investment in capital assets	134,810
Unrestricted	<u>305,247</u>
<b>Total net assets</b>	<b><u>\$ 440,057</u></b>

The accompanying notes are an integral part of these financial statements.



# MAPLE RIVER TOWNSHIP

## STATEMENT OF ACTIVITIES GOVERNMENTAL ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2005

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities</b>				
Legislative	\$ 9,001	\$ -	\$ -	\$ (9,001)
General government	44,007	15,977	71,769	43,739
Public works	4,451	-	-	(4,451)
Public safety	18,058	-	-	(18,058)
Other	1,906	530	-	(1,376)
Unallocated depreciation	6,272	-	-	(6,272)
<b>Total governmental activities</b>	<b>83,695</b>	<b>16,507</b>	<b>71,769</b>	<b>4,581</b>
<b>General revenues</b>				
Property taxes				40,118
Interest earned				15,814
<b>Total general revenues</b>				<b>55,932</b>
<b>Change in net assets</b>				<b>60,513</b>
Net assets beginning of year, as restated (Note 3E)				379,544
<b>Net assets, end of year</b>				<b>\$ 440,057</b>

The accompanying notes are an integral part of these financial statements.

## **FUND FINANCIAL STATEMENTS**

**MAPLE RIVER TOWNSHIP**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND - GENERAL FUND**  
**MARCH 31, 2005**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 120,772
Investments	130,000
Taxes receivable	3,104
Due from other governmental units	11,214
Special assessment receivable	40,157
<b>Total assets</b>	<b>\$ 305,247</b>
<b>LIABILITIES</b>	
<b>Deferred revenue</b>	<b>\$ 40,157</b>
<b>FUND BALANCE</b>	
<b>Unreserved and undesignated</b>	<b>265,090</b>
<b>Total liabilities and fund balance</b>	<b>\$ 305,247</b>
A reconciliation of fund balances on the balance sheet for governmental activities to the statement of net assets is as follows:	
<b>Fund balance - General Fund</b>	<b>\$ 265,090</b>
Amounts reported for governmental activities in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the General Fund.	
Add - capital assets	198,359
Subtract - accumulated depreciation	(63,549)
Certain assets, such as special assessments receivable, are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.	
Add - deferred revenue on special assessments receivable	40,157
<b>Net assets of governmental activities</b>	<b>\$ 440,057</b>

The accompanying notes are an integral part of these financial statements.

## MAPLE RIVER TOWNSHIP

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND - GENERAL FUND

FOR THE YEAR ENDED MARCH 31, 2005

<b>Revenues</b>	
Taxes	\$ 40,118
Special assessment	6,533
State revenues	71,769
Charges for services	15,977
Interest and penalties	15,814
Miscellaneous revenues	530
	<hr/>
<b>Total revenues</b>	<b>150,741</b>
	<hr/>
<b>Expenditures</b>	
Legislative	9,001
General government	
Supervisor	5,860
Elections	2,132
Assessor	12,701
Clerk	6,451
Board of Review	809
Treasurer	12,335
Cemetery	451
Township Hall	2,818
Other	450
Public works - highways and streets	4,451
Public safety - fire protection	18,058
Other functions - insurance, bonds, and other benefits	1,861
Capital outlay	9,120
	<hr/>
<b>Total expenditures</b>	<b>86,498</b>
	<hr/>
<b>Net change in fund balance</b>	<b>64,243</b>
Fund balance, beginning of year	200,847
	<hr/>
<b>Fund balance, end of year</b>	<b>\$ 265,090</b>
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Continued...

# MAPLE RIVER TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND - GENERAL FUND

FOR THE YEAR ENDED MARCH 31, 2005

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### Reconciliation of statement of revenues, expenditures and changes in fund balances of governmental funds to statement of activities

<b>Net change in fund balance - General Fund</b>	<b>\$</b>	<b>64,243</b>
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Amounts reported for governmental activities in the statement of activities are different  
because

Governmental funds report capital outlays as expenditures. However, in the statement of  
activities, the cost of those assets is allocated over their estimated useful lives and reported  
as depreciation expense.

Add - capital outlay capitalized during current year	9,075
Subtract - depreciation expense	(6,272)

Special assessments receivable are long-term in nature and are collectable over several  
years. However, only the current receipts are reflected as revenues on the fund statements.

Deduct - special assessment receipts	<u>(6,533)</u>
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<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>60,513</u></b>
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Concluded

The accompanying notes are an integral part of these financial statements.

# MAPLE RIVER TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED MARCH 31, 2005

	Original Budget	Final Amended Budget	Actual	Variance With Final Amended Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 35,388	\$ 35,388	\$ 40,118	\$ 4,730
Special assessment	5,050	5,050	6,533	1,483
State revenues	65,000	65,000	71,769	6,769
Charges for services	12,650	12,650	15,977	3,327
Interest	11,000	11,000	15,814	4,814
Miscellaneous revenues	1,130	1,130	530	(600)
<b>Total revenues</b>	<b>130,218</b>	<b>130,218</b>	<b>150,741</b>	<b>20,523</b>
<b>Expenditures</b>				
Legislative	9,640	9,640	9,001	639
General government				
Supervisor	6,020	6,020	5,860	160
Elections	1,995	2,295	2,132	163
Assessor	12,850	12,850	12,701	149
Clerk	6,535	6,535	6,451	84
Board of Review	1,370	1,370	809	561
Treasurer	12,090	12,340	12,335	5
Cemetery	940	940	451	489
Township Hall	6,200	18,700	2,818	15,882
Other	3,050	3,050	450	2,600
Public works - highways and streets	6,450	6,450	4,451	1,999
Public safety - fire protection	19,000	19,000	18,058	942
Other functions - insurance, bonds, and other benefits	3,525	3,525	1,861	1,664
Capital outlay	7,700	7,700	9,120	(1,420)
<b>Total expenditures</b>	<b>97,365</b>	<b>110,415</b>	<b>86,498</b>	<b>23,917</b>
<b>Net change in fund balance</b>	<b>32,853</b>	<b>19,803</b>	<b>64,243</b>	<b>44,440</b>
Fund balance, beginning of year	200,847	200,847	200,847	-
<b>Fund balance, end of year</b>	<b>\$ 233,700</b>	<b>\$ 220,650</b>	<b>\$ 265,090</b>	<b>\$ 44,440</b>

The accompanying notes are an integral part of these financial statements.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The accounting policies of *Maple River Township* (the “Township”) conform to accounting principles generally accepted in the United State of America as applicable to governmental units.

In accordance with the provisions of the Governmental Accounting Standards Board Statement 14, and the Statement on Michigan Governmental Accounting and Auditing No. 5, certain other governmental organizations are not considered to be part of the Township for financial reporting purposes. The criteria established by GASB for determining the various governmental organizations to be included in the Township’s financial statements include oversight responsibility, scope of public service, and special financing relationships. On this basis, there are no other governmental organizations’ financial statements included in the financial statements of the Township.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the non-fiduciary activities of the Township. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Township had no *business-type activities* during the year ended March 31, 2005.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the ***General Fund*** as a major fund. The *General Fund*, the Township's operating fund, accounts for all financial resources of the Township.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

### D. Assets, Liabilities and Net Assets or Equity

#### 1. *Deposits and Investments*

The Township's cash and cash equivalents are considered to be cash on hand and demand deposits.

State statutes authorizes the Township to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.



# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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The Township's investments during the year consisted of certificate of deposits with original maturities of more than three months.

### **2. *Receivables and Payables***

All receivables are reported at their gross value.

### **3. *Property Taxes***

Property tax revenues for the year ended March 31, 2005, reflected in the accompanying financial statements include property taxes levied July 1, 2004. These taxes were due by February 14, 2005, and are added to the County tax rolls after February 28, 2005. The Township received 100% payment for the delinquent Township tax by June 2005. Assessed values, as established annually by the Township and subject to acceptance by the County, are equalized by the State at an estimated 50% of the current estimated market value.

Property taxes are recognized in the fiscal year in which they are levied.

### **4. *Capital Assets***

Capital assets, which include land, land improvements, buildings and improvements and furniture and equipment are reported in the governmental activities column in the government-wide financial statements. The Township defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Because the Township is considered a phase 3 government for GASB 34 implementation requirements, the Township is not required to report infrastructure retrospectively. Any future infrastructure additions will be capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings and improvements	20-40
Furniture and equipment	5

### **5. *Vacation and sick leave***

The Township has no liability for accumulated vacation or sick leave at March 31, 2005.

### **6. *Pension Plan***

The Township maintains a defined contribution pension plan that is administered by an insurance company. Pension costs are funded annually when they accrue.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The Township adopts an annual budget for expenditures applicable to the General Fund. The operating budget includes proposed expenditures and the means of financing them and is stated on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

### **B. Excess of Expenditures Over Appropriations in Budgetary Funds**

P.A. 621 of 1978 as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the General Fund have been shown on the functional basis. The approved budget of the Township's General Fund was adopted at the function level.

Capital outlay was over budget by \$1,420.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### 3. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

*Summary of Deposit and Investment Balances.* Following is a reconciliation of deposit and investment balances as of March 31, 2005:

Statement of Net Assets	
Cash and cash equivalents	\$ 120,772
Investments	<u>130,000</u>
<b>Total deposits and investments</b>	<b><u>\$ 250,772</u></b>

At year end, the carrying amount of deposits was \$250,772. The bank balance was \$252,922. Of the bank balance, \$200,000 was covered by Federal Depository Insurance Corporation (FDIC). The remaining balance of \$52,922 was uninsured and uncollateralized.

The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### B. Receivables

The composition of receivables in the governmental activities is as follows as of March 31, 2005:

Taxes receivable	\$ 3,104
Due from other governmental units	11,214
Special assessments receivable, due within one year	4,418
Special assessments receivable, due in greater than one year	<u>35,739</u>
<b>Total receivables</b>	<b><u>\$ 54,475</u></b>

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

### C. Capital assets

Capital assets activity was as follows for the year ended March 31, 2005:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated – land	\$ 24,360	\$ -	\$ -	\$ 24,360
<b>Capital assets being depreciated</b>				
Land improvements	4,033	9,075	-	13,108
Buildings and improvements	151,435	-	-	151,435
Furniture and equipment	9,456	-	-	9,456
Total capital assets being depreciated	164,924	9,075	-	173,999
Less accumulated depreciation on				
Land improvements	(807)	(201)	-	(1,008)
Buildings and improvements	(47,963)	(5,482)	-	(53,445)
Furniture and equipment	(8,507)	(589)	-	(9,096)
Total accumulated depreciation	(57,277)	(6,272)	-	(63,549)
Total capital assets being depreciated, net	107,647	2,803	-	110,450
<b>Governmental activities capital assets, net</b>	<u>\$ 132,007</u>	<u>\$ 2,803</u>	<u>\$ -</u>	<u>\$ 134,810</u>

Unallocated depreciation expense for the year ended March 31, 2005 was \$6,272.

### D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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### **E. Restatements**

As of and for the year ended March 31, 2005, the Township implemented the following Governmental Accounting Standards Board pronouncements:

#### **Statements**

No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*

No. 37 – *Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*

No. 38 – *Certain Financial Statement Note Disclosures*

#### **Interpretation**

No. 6 – *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

The above pronouncements are all related to the new financial reporting requirements for all state and local governments. These pronouncements are scheduled for a phased implementation (based on the size of the government) through fiscal years ending in 2005. The Township was required to implement the new requirements as of and for the year ended March 31, 2005.

The more significant of the changes required by the new standards include:

- Management’s discussion and analysis
- Basic financial statements that include:
  - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting.
  - Fund financial statements, consisting of a series of statements that focus on a government’s major governmental funds and enterprise funds;
  - Schedules to reconcile the fund financial statements to the government-wide financial statements;
  - Notes to the basic financial statement

As a result of implementing these pronouncements for the year ended March 31, 2005, the following restatements were made to beginning net asset accounts in the government-wide financial statements.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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Beginning net assets for governmental activities was determined as follows:

Fund balances of General Fund as of March 31, 2004	\$ 200,847
Add: Governmental capital assets as of March 31, 2004	189,284
Add: Deferred revenue on special assessments as of March 31, 2004	46,690
Deduct: Accumulated depreciation as of March 31, 2004 on governmental capital assets	<u>(57,277)</u>
<b>Governmental activities net assets, restated, as of April 1, 2004</b>	<b><u>\$ 379,544</u></b>

### 4. OTHER INFORMATION

#### A. Defined contribution pension plan

The Township contributes to the Township of Maple River Group Pension Plan (the "Plan"), which is a defined contribution pension plan administered by Municipal Retirement Systems, Inc.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

All employees who are 18 years of age and older are eligible to participate in the Plan.

Contributions made by an employee and contributions made by the Township vest upon entering the Plan. An employee who leaves the employ of the Township is entitled to his or her contributions and the Township's contributions if vesting requirements are satisfied, plus interest earned. Employees are required to contribute 5% and the Township 7% of the employee's base salary. The benefit provisions and contribution requirements are established and may be amended by the Township's Board of Trustees.

# MAPLE RIVER TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

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During the fiscal year ended March 31, 2005, payroll for employees covered under the Plan was \$23,805 and total payroll was \$26,118. The Township's required and actual contributions amounted to \$1,667 and employees made contributions amounting to \$1,190 to the Plan.

No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees. The Plan held no securities of the Township or other related parties as of the close of the fiscal year. Assets of the Plan were valued at \$19,837 as of March 31, 2005.

### **B. Risk Management and Litigation**

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it obtains coverage from commercial insurance companies. The Township has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

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## **SUPPLEMENTARY INFORMATION**



**MAPLE RIVER TOWNSHIP**  
**DETAILED SCHEDULE OF EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2005**

**Legislative**

**Township Board**

Salaries	\$ 2,960
Insurance	5,265
Printing and publishing	36
Dues and subscriptions	679
Miscellaneous	61
	<u>61</u>

**Total Legislative**

**9,001**

**General Government**

**Supervisor**

Salary	<b><u>5,860</u></b>
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**Elections**

Salaries	1,683
Transportation	105
Printing and publishing	214
Miscellaneous	130
	<u>130</u>

**Total Elections**

**2,132**

**Assessor**

Contracted services	11,719
Office supplies	611
Miscellaneous	371
	<u>371</u>

**Total Assessor**

**12,701**

**Clerk**

Salary	6,030
Office supplies	229
Miscellaneous	192
	<u>192</u>

**Total Clerk**

**6,451**

**Board of Review**

Salaries	630
Printing and publishing	179
	<u>179</u>

**Total Board of Review**

**809**

Continued...

**MAPLE RIVER TOWNSHIP**  
**DETAILED SCHEDULE OF EXPENDITURES**  
**GENERAL FUND**

**FOR THE YEAR ENDED MARCH 31, 2005**

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<b>Treasurer</b>	
Salary	\$ 8,955
Office supplies	2,133
Printing and publishing	747
Utilities	20
Miscellaneous	480
	<hr/>
<b>Total Treasurer</b>	<b>12,335</b>
	<hr/>
<b>Cemetery</b>	
Contracted services	451
	<hr/>
<b>Township Hall</b>	
Contracted services	443
Utilities	2,315
Repairs and maintenance	60
	<hr/>
<b>Total Township Hall</b>	<b>2,818</b>
	<hr/>
<b>Other</b>	
Repairs and maintenance	450
	<hr/>
<b>Total General Government</b>	<b>44,007</b>
	<hr/>
<b>Public Works - Highways and Streets</b>	
Contracted services	4,451
	<hr/>
<b>Public Safety - Fire Protection</b>	
Contracted services	18,058
	<hr/>
<b>Other functions - insurance, bonds, and benefits</b>	
Retirement	1,685
Social Security and Medicare	176
	<hr/>
<b>Total other functions</b>	<b>1,861</b>
	<hr/>
<b>Capital outlay</b>	<b>9,120</b>
	<hr/>
<b>Total expenditures</b>	<b>\$ 86,498</b>
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Concluded